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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

16 Cr. 278 (WHP)

5 STUART SCHLESINGER,

6 Defendant.

Sentencing

7 -----x
8 New York, N.Y.

September 30, 2016

9 2:38 p.m.

10 Before:

11 HON. WILLIAM H. PAULEY III,

12 District Judge

13
14 APPEARANCES

15 PREET BHARARA

United States Attorney for the
Southern District of New York

16 BY: MATTHEW J. LAROCHE, ESQ.

17 Assistant United States Attorney

18 LAW OFFICES OF MURRAY RICHMAN

Attorneys for Defendant

19 BY: MURRAY RICHMAN, ESQ.

20 KAREN L. DEL VECCHIO, ESQ.

21 ALSO PRESENT: JAMES HILLIARD, Special Agent, FBI

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(Case called)

MR. LAROCHE: Good afternoon, your Honor. Matt Laroche for the government. And with me is Special Agent James Hilliard from the FBI.

THE COURT: Good afternoon, gentlemen.

MR. HILLIARD: Good afternoon.

MR. RICHMAN: Good afternoon, your Honor. Murray Richman for defendant. And I'm assisted by my associate Karen Del Vecchio.

THE COURT: All right. Good afternoon, Mr. Richman and Ms. Del Vecchio.

MS. DEL VECCHIO: Good afternoon.

THE COURT: I note the presence of the defendant, Mr. Schlesinger, at counsel table.

This matter is on for sentencing. Are the parties ready to proceed?

MR. LAROCHE: Yes, your Honor.

MR. RICHMAN: We are.

THE COURT: Mr. Richman, have you reviewed with your client the presentence investigation report?

MR. RICHMAN: I have, sir.

THE COURT: Are there any factual matters set forth in the report that you believe warrant modification or correction?

MR. RICHMAN: I do not, sir.

THE COURT: Mr. Laroche, are there any factual matters

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1 in the report that the government believes warrant modification
2 or correction?

3 MR. LAROCHE: No, your Honor.

4 THE COURT: Before we proceed, with respect to the
5 question of restitution, the parties have handed up to the
6 Court a Consent Preliminary Order of Forfeiture in the amount
7 of \$5,549,017. Is that the agreed amount of restitution in
8 this case?

9 MR. LAROCHE: Yes, your Honor.

10 MR. RICHMAN: It is, your Honor, subject to certain
11 materials we're making available to the United States
12 Attorney's Office with relation to a modification of a portion
13 thereof, but not a significant portion thereof.

14 THE COURT: All right. Very well.

15 Before I hear from the parties in this case, the
16 government has informed me that a number of victims wish to
17 address the Court. I intend to hear from each of them now. I
18 have read all of the submissions of the parties and the
19 numerous letters that I've received from victims, including one
20 letter that was handed up to my deputy a half hour ago. I
21 assume, Mr. Richman, that you've seen them all.

22 MR. RICHMAN: I have seen them all, your Honor, and I
23 have received a copy of the one that was handed up a half hour
24 ago.

25 THE COURT: Very well. And so I've been provided with

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1 a list. I'm going to ask Margaret Last and/or Kevin Last to
2 come forward, if they wish, and address the Court.

3 Please just state your name, if you would.

4 MS. LAST: My name is Margaret Last.

5 THE COURT: Thank you.

6 MS. LAST: And I want to thank you, your Honor, for
7 letting me speak.

8 I am a victim of Stuart Schlesinger. After a
9 negligent malpractice incident in 2010, I sought the help of
10 Julien & Schlesinger law firm. Previously this law firm helped
11 me in an accident case in 2009. I worked with his son, Michael
12 Schlesinger, and other lawyers in the firm during the standard
13 process of a lawsuit, until the award settlement stage came to
14 fruition. Stuart Schlesinger handled all financial awards.

15 I cannot count how many times I spoke to Stuart
16 regarding the status of both cases. His excuses were
17 neverending -- he was short-staffed, he was making sure
18 everything was in order, he had a virus, he had problems with
19 his back, and his knee, the office was moving, he didn't know
20 how to work a fax machine, the girl in the office must have
21 made an error, he didn't want to speak on the phone too long,
22 etc.

23 The frustration level was all-consuming physically and
24 emotionally. I was trying my best to recover from the numerous
25 surgeries I needed from the malpractice suit. I lost my job.

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1 My husband had to take early retirement to take care of me
2 during these numerous surgeries. Stuart knew all this
3 information and expressed empathy to both me and my husband.
4 He was reassuring that I would receive a very good settlement
5 out of court.

6 A settlement of the malpractice was made. I received
7 a call from Stuart to finalize the amount. I received an award
8 of \$875,000. The check was hand delivered to Stuart within two
9 days after the conclusion of the settlement on June 2nd.
10 Stuart said it would be \$660,100 I was to receive. I was
11 relieved and believed things would work for us. I called
12 Stuart numerous times. He said he had no set date when I would
13 receive my award. Stuart expressed on several conversations
14 that he wanted to make sure all the paperwork was in order and
15 that should be shortly. It never came.

16 I became very restless and nervous. I could not
17 sleep. My husband was aggravated and felt Stuart was up to
18 something. We found out Stuart was disbarred through a news
19 site on the internet. Stuart claimed this was -- claimed to us
20 everything would be okay. During November -- that everything
21 would be okay.

22 During November and early December, we called almost
23 daily. On every call, Stuart claimed he was meeting people to
24 get funds. Stuart even set up a meeting to meet me and my
25 husband at a coffee shop. He gave us a phony check and asked

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1 that we not cash it for two weeks. Within two weeks, Stuart
2 was arrested by the FBI. I was physically and emotionally
3 wrecked.

4 I am frightened as to how we will be able to suffice
5 paying ongoing medical bills, our monthly bills, and many other
6 bills. Stuart Schlesinger stole from me, like a common thief.
7 I was so hurt by him and angry with myself for believing him.
8 I will never be able to forgive him for what he's done to me
9 and my family.

10 Thank you.

11 THE COURT: Thank you, Mrs. Last.

12 MR. LAST: I'm Kevin Last, your Honor. Thank you for
13 letting me speak.

14 I'm a victim of Stuart A. Schlesinger.

15 In 2011, my wife and I met with the son of Stuart A.
16 Schlesinger, Michael Schlesinger, and signed a formal agreement
17 with the law firm Julien & Schlesinger, to sue a doctor who
18 misdiagnosed my wife. I did some due diligence on the firm,
19 and it was rated one of the top ten law firms in New York City
20 for malpractice cases. I had no idea at this time that Stuart
21 Schlesinger was stealing from his clients.

22 My wife was close to a below-the-knee amputation on
23 the right leg and sepsis. In order to save her, the now
24 treating doctor performed a series of surgeries that left her
25 in a wheelchair for nine months with 36 bolts and pins

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1 protruding from the right leg. I was emotionally devastated it
2 see her like this. She did not have a good recovery and to
3 this day needs constant assistance. I had to leave work and
4 take care of her.

5 In 2012, my wife lost her job, and I was not working.
6 Numerous bills were coming in. Both my wife and I did
7 everything Stuart Schlesinger asked of us, and he told us that
8 we would get a settlement that would help our financial
9 situation.

10 In June of 2015, Stuart Schlesinger called us at home
11 and said the case settled for \$875,000. We received a letter
12 from the defendant's insurance company stating the check was
13 sent to our lawyer. I called Stuart Schlesinger immediately
14 and asked for the money. Stuart gave me many excuses why he
15 could not pay us, including the death of his daughter-in-law.

16 Stuart Schlesinger received a settlement award money
17 two weeks after his disbarment from law practice. He never
18 said he was disbarred or received our money. Stuart only used
19 my wife and I as a means to get and steal our money.

20 I'm still having nightmares about this. How does a
21 lawyer who takes an oath to protect his clients steal from
22 them?

23 In early 2015 he met with my wife and I to give us a
24 bouncing check in the amount of \$660,000. Both my wife and I
25 were overwhelmed by his actions. We are in a state of limbo

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1 and do not know what or how we will survive.

2 We were contacted by the FBI and told of his arrest
3 for his criminal actions.

4 I will never forgive him, accept any apology, and I do
5 not believe he is repentant for his actions. Stuart is
6 shame-faced only because he got caught.

7 I ask this Court to make him pay us immediately in
8 full and give him the maximum jail sentence under the law.

9 Thank you, your Honor.

10 THE COURT: Thank you, Mr. Last.

11 Would Sandi Bacon come forward.

12 MS. BACON: Hi, Stuart.

13 My name is Sandi Bacon, your Honor, pronounced
14 "bacon."

15 I would like to thank the state's attorney, the FBI,
16 and the victims coordinator for their compassion.

17 Never in my wildest dreams did I think I would be
18 homeless at 72, but I am, because of the actions of Stuart
19 Schlesinger. Not only did he steal my settlement money, he
20 robbed me of my self-respect and dignity. And when the money
21 ran out, I faced the eviction judge alone, on December 2, 2011.

22 That morning, at the courthouse, he had called in a
23 panic. "You have to fire me. I'm sending Michelle down. You
24 need to sign some papers. It will go better for you without a
25 lawyer. I'm not stealing your money. I'm not abandoning you."

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1 I pleaded with the judge for my son's life: "Your Honor, it
2 says 'In God We Trust' over your head. My son is so sick. We
3 have no place to go. I'm afraid he's going to die." The judge
4 laughed and said I deserved to be evicted because of the amount
5 of my back rent and banged the gavel. I was to vacate my
6 beautiful apartment in six days.

7 Several months later, in a failed suicide attempt, my
8 son leapt from the third floor fire escape. Mercifully, an
9 awning broke his fall, or Schlesinger would have taken my son
10 from me as well.

11 On September 27, 2008, I was filming -- I'm a
12 filmmaker -- at DUMBO Arts Street Festival, asking people who
13 they thought won the first presidential election, or debate,
14 when an SUV came out of nowhere and ran over my leg. After a
15 painful operation and recovery, I was bedridden and unable to
16 walk for a year, fell behind on my rent, and faced eviction. I
17 heard that Stuart Schlesinger was "the guy" to get the big
18 settlement, respected by the courts, and feared by insurance
19 companies.

20 On April 4, 2011, he called me into his office. The
21 case was settled and I was to pick up my check. He closed the
22 door to the conference room and sat next to me. "I like you, I
23 want to help, so I'm going to do something I would only do for
24 family. But if anyone finds out, you'll be evicted
25 immediately." He said because there was a lawsuit against the

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1 city for neglecting to place barricades at the street festival,
2 he would keep my settlement money, negotiate my back rent,
3 quote, make it go away, so I could stay in my apartment, pay my
4 rent going forward, and gave me money to live on.

5 A week later, on April 11, 2011, Allstate cut a check
6 for \$100,000. He forged my name. I didn't receive my first
7 check until -- for \$2300 until June 23, 2011. For nine months
8 I begged every -- for every single check. In one instance he
9 had me redeposit a check three times. They all bounced. There
10 were also -- there were always excuses. He never gave me an
11 accounting, after repeated requests. "It's Shabbos." "The
12 bookkeeper is out." He told me he was negotiating with the
13 judge over my -- he was negotiating with the judge over my back
14 rent, but he found out -- but if he found out I received a
15 settlement, he would evict me. And as the checks started
16 bouncing, he'd scream at me on the phone, "I'll tell the judge.
17 You'll have to move in 30 days. They'll evict you. I offered
18 the judge \$10,000 for your back rent."

19 Court documents for the lawsuit against the city
20 reveal Schlesinger never showed up to any of the hearings and
21 the case was dismissed October of 2011. An NYPD officer
22 testified it was the responsibility of the organizers of the
23 DUMBO Arts Street Festival to make a formal request for the
24 barricades, not the NYPD. So he sued the wrong people.

25 I kept begging him for the rest of the lump sum

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1 because I was so broke, they shut my phone off. And my son was
2 so sick, and we had no money to pay bills or eat. He wouldn't
3 answer my calls. And then it happened -- an eviction notice
4 was placed on my door. It was the most humiliating thing that
5 ever happened to me. I felt so much shame. Every day for
6 weeks I called the marshal to see when the eviction was
7 scheduled. And when it finally came, the marshal handed me my
8 eviction papers and locked me out. As I rolled my last bag out
9 of Peter Cooper, I was sobbing, humiliated. Homeless for the
10 first time in my life. I had an illustrious 40-year career in
11 advertising, and it had come to this.

12 I've tried to piece together from canceled checks and
13 bounced checks but I'm still not sure. Suffice to say, it was
14 a living hell for nine months. A few months after the
15 eviction, I was to receive \$24,000 as a payout. I was a
16 plaintiff in the Peter Cooper-Stuyvesant Town J-51 overcharging
17 lawsuit. They kept the money for the back rent that
18 Schlesinger was supposed to have negotiated. His abuse never
19 ends.

20 I now live on \$24,888 a year -- my Social Security
21 plus an odd job. I qualify for \$16 a month in food stamps
22 because my Social Security check is too high. A couple of
23 years ago I won the affordable housing lottery out of a hundred
24 thousand applicants. I vetted for four months, and when I went
25 to get my keys, I was denied because of the eviction -- the

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1 eviction that never should have happened, were it not for
2 Stuart Schlesinger. I also discovered I'm on a black list
3 because if you've ever been evicted in housing court, you go on
4 a black list, so I'll never get an apartment. So I sleep on
5 Sheila's couch for five years, and if it wasn't for Sheila, I
6 would be dead, I'm sure.

7 I am now homeless forever because of Stuart
8 Schlesinger's bottomless pit of greed and the pursuit of
9 things. A few months ago I saw a picture of his \$11.9 million
10 house in Quogue. Waterfront, heated swimming pool, eight
11 bedrooms, sauna, and tennis court. All those years of
12 suffering, the eviction, putting everything in storage, the
13 pain heaped on pain, betrayal and embarrassment, my son's
14 suffering, came flooding back like a tsunami. All this misery
15 for a beach house.

16 Thank you, your Honor.

17 THE COURT: Thank you, ma'am.

18 Would Barbara Kaye come up and address the Court.

19 MS. KAYE: Barbara Kaye.

20 Very hard, your Honor, to stand here in court, in U.S.
21 federal court, because Stuart Schlesinger, he broke the law.
22 He knew the law. He was a lawyer for many, many years. But he
23 chose to steal my money and everybody else's money, hoping he
24 wouldn't be arrested.

25 When he -- when I received my confirmation letter from

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1 the insurance company, the check was mailed to Julien &
2 Schlesinger in 2014, I decided to contact Stuart Schlesinger
3 during 2015. On several occasions, when I called his office, I
4 was told he wasn't in the office. He was never in the office.
5 "He will call back." There are other times I called I was put
6 on hold for several minutes. Probably he was telling them,
7 "Who is it?" And when he heard it was me, he didn't want to
8 talk to me. And when he did call back, which was quite rare, I
9 was told, "The computer crashed." "I'm not avoiding you."
10 "Give me more time." By now, I was convinced he was avoiding
11 my phone calls.

12 The last two phone calls were quite interesting. I
13 called. A female answered the phone. I asked to speak to
14 Mr. Schlesinger. She said he wasn't in the office and she
15 didn't know when he will be in. She took a message and rudely
16 hung up. I didn't believe her, and I decided to call back.
17 And guess who answered the phone? Stuart Schlesinger picked up
18 and said, "I'm not avoiding you. Give me more time. I will
19 call you tomorrow." Which of course he never did. I called
20 back the next day and told the girl he must call me back. He
21 did three hours later and told me he would finish up my case
22 and I'll get my money and he will call me back tomorrow. He
23 never did.

24 It's sad to say, Stuart Schlesinger, you're a
25 disgrace, and you have no morals. You could care less about us

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1 victims, who went through so much.

2 And your Honor, I hope when you consider the sentence,
3 you take into account what a terrible crime he committed
4 against us.

5 Thank you.

6 THE COURT: Thank you, Ms. Kaye.

7 Would Bill Landis come forward to address the court.

8 MR. LANDIS: Your Honor, I'd like to thank --

9 THE COURT: Just if you would be kind enough to state
10 your name for the record.

11 MR. LANDIS: My name is Billy Ifure (ph) Landis.

12 I'd like to thank the FBI and the victims crime unit
13 for all their help and compassion in dealing with this
14 situation.

15 I hired the law firm of Julien & Schlesinger to
16 represent me in a medical malpractice case. The matter was
17 settled sometime in 2011, and almost immediately I grew
18 suspicious with Stuart's daily stories. They never seemed to
19 make much sense.

20 I asked him repeatedly, almost daily, for a expense
21 breakdown related to the case. He would deny me that, even
22 after I told him he was obligated by law to do so. He had all
23 sorts of creative reasons why he couldn't provide the breakdown
24 of the expenses: He was sick; his wife was sick; he even
25 blamed at one point that the funds weren't being distributed

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1 because his son Michael's wife passed away and he had to take
2 care of funeral bills.

3 I grew more suspicious when he told me that the
4 payments would be broken down over a period of time and that
5 I'd be getting the checks in installments. I didn't understand
6 what he was doing, and when I questioned him, he grew agitated
7 and told me he was treating me like family.

8 At various times he gave me checks that either
9 bounced, were issued from closed accounts, he once gave me a
10 check with his name and his wife Linda's name on it, and most
11 of these checks were never made good.

12 Then he had me meet him at his office and he wanted me
13 to submit my monthly bills to him and his accountant. I don't
14 recall her name. And he was supposed to be paying off these
15 bills related to my estate. Needless to say, most of the time
16 none of the checks that were supposed to be sent out ever
17 arrived. And it did work for a brief period, but then after
18 that, it just completely fell apart. It was a daily battle of
19 hearing these excuses as to what happened to these funds and
20 his various stories attempting to explain what he was doing,
21 which didn't seem to make much sense.

22 The situation really got out of hand when he relocated
23 from 1 Whitehall Street downtown to 307 East 94th Street.
24 The whole office just seemed to fall apart at the new location.
25 During this time Mr. Schlesinger would give me various checks

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1 and he would tell me to hold them for two weeks, and that he
2 was trying to make good on these various funds. He would
3 chronically disappear for periods of time, and then you
4 couldn't contact him. He would just vanish like a phantom.

5 I had a problem with my bank account, and the fraud
6 division at Chase Manhattan told me that they suspected fraud.
7 They contacted Stuart, and Stuart denied it to the end, even
8 though, after the investigation from the bank, they told me
9 that the checks were issued on a closed account. When the bank
10 officer called Mr. Schlesinger, he still insisted that the
11 checks were good, even though he knew the checks were bad.

12 The day before his arrest in Westhampton Beach, he
13 called me several times on the phone and we got into a very
14 heated exchange, at which time I called him a criminal, a
15 thief, and a sociopath, among other things. I told him that he
16 was being investigated for his crimes, and at that time the bar
17 association had contacted me and told me that I was a victim of
18 fraud and that they were looking into Mr.Schlesinger's very
19 interesting accounting methods. They also contacted me and
20 told me that they wanted me to fill out a complaint form, which
21 I did, and that they were referring the matter over to the FBI.
22 Soon thereafter, I was contacted by the FBI and I was told that
23 I was the victim of fraud and that Mr. Schlesinger was arrested
24 and that he was going to be hopefully prosecuted for his
25 crimes.

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1 I truly believe that Mr. Schlesinger has been doing
2 this for years. This is not a one-shot deal. I think he's
3 made this criminal behavior a way of life. I think he just got
4 caught. I think he's the proverbial wolf in sheep's clothing.
5 He likes to show himself off as like a grandfather figure, when
6 he's sizing you up and targeting certain victims for him to
7 take advantage of and for him to fleece them and rob them
8 blind. I think it's despicable, I think he needs to be
9 incarcerated for the longest period of time possible, and I
10 think the strongest, harshest sentence should be imposed upon
11 him for the crimes that he's committed against me and others.

12 Thank you, your Honor. Have a good day.

13 THE COURT: Thank you, Mr. Landis.

14 Would Michael Kahani come forward to address the
15 Court.

16 MR. KAHANI: My name is Michael Kahani.

17 Good afternoon, your Honor, and to the court. Thank
18 you for allowing me to speak today.

19 My name is Michael Kahani. I'm a 29-year-old.

20 Several years ago, I suffered a terrible medical
21 injury due to medical malpractice. To this day I have a brain
22 injury, which affects all areas of my life. For example, I
23 suffer from headaches, I have memory issues, I cannot continue
24 my education because I cannot read for long periods of time and
25 because I have such issues with memory, meaning that almost

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1 everything I read, I forget. I have not been able to hold down
2 a job for very long either.

3 I hired Stuart Schlesinger as a primary lawyer to sue
4 the hospitals and the doctor who did this to me. Upon starting
5 a lawsuit, a second group of lawyers was hired to help with the
6 case.

7 What happened to me is that I had a severe headache
8 for several days. When I came to the doctor, the neurologist,
9 he did not follow up on the test results of finding blood in my
10 brain. Instead he said it was due to anxiety. I even came
11 back to him for a second MRI. The outcome was the same results
12 as well, as was his response, anxiety.

13 Then I went to a hospital, same complaints, and the
14 emergency room did not even check me completely. Through just
15 looking at me, they concluded I looked good enough to leave.
16 The doctor and persons at the hospital did not take me
17 seriously and sent me home, which caused the sickness to get
18 worse.

19 A few days later, I was taken to a different hospital
20 because, from what I was told, I was not speaking normally. I
21 did not know my name, where I was, or where I lived. It turned
22 out I had a disease that is very rare. But had it been caught
23 by the first hospital, I would not be this sick, I would not
24 have almost died. Instead, I almost died.

25 At the second hospital, doctors told me I was one out

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1 of 20 million that survived with the sickness. I woke up in
2 the hospital, in my early 20s, forgetting how to speak English,
3 couldn't see from one eye, and didn't know where I was, the day
4 of the week, and the year. Although I was always reminded by
5 the therapist every day.

6 I went from what to me was considered to be a normal
7 human being to what to me is now abnormal, completely not
8 normal. I've been fired from jobs since the sickness because I
9 don't remember my job, what has to be done, or I don't
10 understand the regulation and the rules. All of this is a
11 result of the fact the first doctor didn't take me seriously
12 when I came in.

13 The fact that I forget my schedule every day unless I
14 write it down immediately, or on my phone, is the hardest I
15 ever have to deal with, and in fact I cannot support myself. I
16 have college loans which I haven't paid back. I forgot
17 everything I ever learned in college which is as a result as
18 well.

19 I trusted Mr. Schlesinger. I was told that he was a
20 top attorney. The second group of lawyers that were hired was
21 able to get the case settled with the doctor defendant. So I
22 got called into the second lawyer's office and was told to sign
23 an agreement that I would accept money as a settlement. But
24 they told me that the only option I had was that Stuart
25 Schlesinger will get the money, withdraw his third, and then

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1 the remainder would be sent to me. But the money was never
2 sent. Never. When I called Mr. Schlesinger, asking him when I
3 would get the money, he kept saying over and over, he was
4 getting it done. I have voicemail stored on my phone where he
5 kept saying over and over, "I'm getting it done. I'm getting
6 it done." But nothing ever came about. He never gave me my
7 share.

8 So I'm the victim of both theft as well as lying. All
9 this from a lawyer -- my lawyer. The money was supposed to
10 help me after the doctor failed, maybe not to get back to
11 normality but at least let me live just a little more
12 comfortably. For god's sake, I use the handicapped MTA card
13 all day because sometimes my inability to stand too much and I
14 have my neurologist appointment as well as my psychiatrist as a
15 result of the sickness on a weekly basis.

16 Mr. Schlesinger also failed me. I needed the money to
17 live. I am still shocked Mr. Schlesinger had never -- had the
18 nerve to steal everything. To me that isn't fair.

19 I need -- not want -- I need the money that was
20 supposed to be given to me in settlement. I had trusted this
21 man to help me, and instead he hurt me.

22 I ask the Court to do its honest best in punishing him
23 as much as possible. I had to rely on him because of my
24 medical condition, brain impairment. It's clear to me he took
25 advantage of me and my medical condition.

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1 Also, my wife and I are expecting another baby, and I
2 can't even hold onto a job. It seems to be getting worse and
3 worse every day. And this could have been made somewhat easier
4 had he not lied to me and stolen from me what I deserved.

5 Thank you.

6 THE COURT: Thank you, Mr. Kahani.

7 Would Maria Pylarinos come forward to address the
8 Court.

9 MS. PYLARINOS: Maria Pylarinos. A big problem from
10 my hand. And my friend, he's give me --

11 THE COURT: Would you just pull the microphone a
12 little closer.

13 There we go.

14 MS. PYLARINOS: Yes. So my friend, he's give me the
15 best lawyer in the world. I trust. And everything, all my
16 paper, I say, you have to sign it, because I can't sign very
17 well. So I give me all my paper. I trust for everything.

18 The first one, he give me one check, the small check,
19 and I go to the bank and I cash the small amount. Second time
20 he say to me, I give me the check for next month. Next month,
21 he say to me, I can't make it because I have to go someplace in
22 the court. Come in next month. This is going all the way, all
23 the time, all the time the same. And then after he say to
24 me -- I say, careful for my Medicaid, Medicare, I have to pay
25 everything because I don't want to cut because I'm no rich to

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1 pay for the doctor if anything happened to me. He said, don't
2 worry, I take care of all this kind of business for the
3 Medicaid, Medicare. But then the Medicare, he called me up.
4 He say, Maria, you have to pay my bill, my -- for the Medicare.
5 I say, I mean, I no have money, and my lawyer, he's going to
6 pay for you everything. And then he said to me, he said,
7 Listen, it go into collection. Now if you no pay, I have to
8 take your Social Security. I said, Listen, I have \$500 from
9 the Social Security, and that -- that, I living for this money.
10 And he send me the letters, and I take it to the lawyer. He
11 say to me, don't worry. I go to call for the lawyer for
12 Medicaid and Medicare to make it very low, because it's very
13 bad. After for that, every time he's give me the appointment
14 to see in the office and I call up the -- the man that take
15 care of the telephone, and he say to me, he's not here now
16 because he's going to the court. And I call next day, he's not
17 here now because he's going to the doctor. And I call him back
18 again to give me all this, he say, I no now -- I no have time
19 now to talk to you. I call you up. And that is go every
20 month, every month, every month. And never he's call me up.
21 And I -- my son's came and he want to talk. And he say, no, I
22 no have time to talk to you. Don't worry. I take care of your
23 mother because now is my best friend and my -- like my family,
24 so I take care of everything. Never worry. And he give me
25 check, and I go to the bank and then it's no good. I go, I

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1 take it back again, and he say, don't worry, give for you new
2 check. And he give me new check and he say, don't -- don't
3 going into the bank now. Go to the bank after couple of months
4 because I have some big problem. And I wait and give me the
5 date I'm going to the bank, and I'm going to the bank and the
6 people is laughing at me, say, what is the check? It's no have
7 money in the bank. And I take it back in, the check, and he
8 grabbed it from my hand. He say, no, I'm going to give you
9 another check for you. Make it after two months to cash the
10 check. And I wait for the two months and I go back again to
11 the bank, and say, no money in the bank. So -- and then after
12 I in -- the collections is received for the Medicaid and
13 Medicare, he send me in the second letters, and I give him, he
14 say, no, don't worry. I take care of this. You no have to
15 worry about it. Everything is going perfect. I call to the
16 people, he say to me, I can't find this lawyer there. And all
17 the time's going like this way.

18 And then my friend is show me in the computer the name
19 and all the story. And then after -- already, I can't believe
20 it. I'm shocked. I can't believe it. This man, how he's
21 talked to me so nice, so sweet, to happen like this way. And
22 I -- I can't make it anyhow.

23 I go to my friend, and my friend, he help me a lot.

24 And for FBI, thank you very, very much. Because he's
25 very nice man, and he helped me.

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1 For another lawyer, above all, this story. Already, I
2 can't believe it. Like this way he's making to this old people
3 to suffer for everything. And the lawyer, after he's -- he's
4 making the list, to be honest to everybody and not to happen
5 like this.

6 I hope it's penalties so there's not another lawyer to
7 make like this for the people.

8 Thank you very much, your Honor. My friend is talk to
9 you.

10 No. Talk to him.

11 THE COURT: Thank you.

12 MR. COHEN: Hello. My name is Mark Cohen.

13 Just to expand on what Maria has shared, I think, you
14 know, unfortunately, Maria is somebody who has to lead her
15 family. She lives in a one-bedroom apartment with her husband
16 and her daughter, doesn't really have a whole lot, and her case
17 dragged on for five years.

18 I think she talked about a lot of the things that
19 happened, but the one thing that we just wanted to address is
20 that unfortunately, for the five years that this case went on,
21 mysteriously, Maria never got any of the collection notices
22 from Medicaid or Medicare, so once this whole thing started
23 unraveling, while Mr. Schlesinger said that he was taking care
24 of the medical bills, ultimately he wasn't, so Maria's case
25 went into collections about three or four years ago.

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1 After this happened, I started digging in, was on the
2 phone with Medicare and Medicaid, on the phone with the U.S.
3 Treasury, on the phone with the collection agencies.
4 Unfortunately, Maria had to pay the bill with money that she
5 doesn't have, because ultimately the Treasury was going to
6 garnish her Social Security. So, you know, he just put her
7 through a really difficult time. That's super unfortunate.

8 Even though we've resolved the case with Medicaid and
9 Medicare directly, we still get collection notices on probably
10 a weekly basis. We got the last one a couple weeks ago. And
11 for somebody in Maria's situation to be harassed on a weekly
12 basis by a collections agency -- we told them not to call, we
13 told them to direct all communication to me, so now I get the
14 letters. Even though we've told them it's been resolved, it
15 still happens once, twice, three times a month.

16 Thank you.

17 THE COURT: Thank you, Mr. Cohen.

18 Would Allison Gill come forward to address the Court.

19 MS. GILL: Good afternoon. My name is Allison Gill.
20 And I am an attorney employed by the New York City Department
21 of Social Services, and I have been director of the
22 Supplemental Needs Trust Program.

23 NYC DSS and, by extension, the state and federal
24 government, the taxpayers, have been swindled out of a
25 significant sum of money by Mr. Schlesinger. Supplemental

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1 needs trusts are special trusts for severely disabled
2 individuals that allow them to qualify for Medicaid while using
3 their sheltered assets to enhance their quality of life. Upon
4 the disabled individual's demise, the remaining funds in the
5 trust are used to reimburse the Medicaid program for services
6 provided.

7 Mr. Schlesinger established a supplemental needs trust
8 for one of his malpractice clients, and after many years, it
9 became time to wind down the trust and reimburse Medicaid.
10 Instead of depositing the real estate sales proceeds, earmarked
11 for Medicaid reimbursement, into the SNT's bank account,
12 Mr. Schlesinger had the closing agent write the check to his
13 law firm and deposit \$170,000 of those funds into his escrow
14 account. Mr. Schlesinger promised payment to the department
15 within 30 days. But then Mr. Schlesinger used his
16 daughter-in-law's death as a delay tactic to hide the fact that
17 he had stolen the \$170,000.

18 The \$170,000 that was pilfered from DSS in this case
19 does not go into my pocket or in the mayor's pocket; it goes
20 back to Medicaid recipients. All of the program's revenue is
21 used to support the robust New York Medicaid program that
22 guarantees needy New Yorkers adequate and affordable
23 healthcare. Those funds could have helped an elderly person
24 stay in their home with the help of a home health aide for the
25 next six years, or help a person with a severe physical

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1 disability attend an enriching day program for the next three
2 years. But instead, those funds lined one person's pocket --
3 Mr. Schlesinger's.

4 The actions of Mr. Schlesinger are reprehensible and
5 appalling. The money he purloined from the department would
6 have made a significant impact in the lives of several Medicaid
7 beneficiaries. He should not be given a mere slap on the
8 wrist. This was not a mistake. This was a calculated effort.

9 Thank you.

10 THE COURT: Thank you, Ms. Gill.

11 Is there any other victim present in the courtroom who
12 wishes to come forward and address the Court?

13 All right. Seeing none -- is there someone?

14 AUDIENCE MEMBER: Yes, there is.

15 MR. LAWLER: Hello there. My name is Kenneth Lawler.
16 I'm from the United Kingdom.

17 I employed Julien & Schlesinger when my son passed
18 away in 2009, so this was probably one of the lowest ebbs of my
19 life. So I wanted to employ someone with a reasonable
20 reputation who was going to basically do a good job for me over
21 here in the United States. But I haven't got any idea of how
22 the systems worked, so I had to put all my efforts -- well, all
23 my trust in a solicitor, or an attorney, in America.

24 And like everybody who spoke before me, getting the
25 actual money from the insurance people through a claim went

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1 through quite quickly, and everything seemed to be okay. But
2 when we were hoping to get the money then simply from the --
3 from them to our accounts, then it all started going wrong, and
4 from -- from January in 2013 to the present day, we've
5 constantly been asking them, how is -- where is the money?
6 What do we need to do next? How's things going?

7 And the difficulty with being over in the United
8 Kingdom is trying to keep in touch with these people, and when
9 you can't find them on the phone and you can't get in touch and
10 it's costing more and more money -- so we would sometime get
11 through with emails and things like that to contact him. But
12 when we do -- did get in contact with him, he'd be trying to
13 quickly take me off the subject of the case and it would be
14 down to personal matters. And even on one occasion he said to
15 me that, "Don't worry. I'll -- I can deliver the check
16 personally and we can have a game of golf over in the UK."

17 So when I was getting comments like that, I was
18 beginning to think, this is a bit strange. And even though --
19 there was times where I would bring it up, and he would say,
20 "Don't worry. The -- your money is safe." And being from
21 where I come from, when someone starts saying things like that,
22 I suddenly start thinking, something's wrong here. Why would
23 he say my money's safe when I haven't asked if it's safe? But
24 we kept going and pushing along, and over the years, he kept
25 going with the same excuses like everybody else has been

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1 giving. Now I feel a bit of a -- sort of -- what I've been
2 hearing from these stories here -- My son has passed away, and
3 I haven't been able to finish his estate now since 2009 till
4 now. I'm still waiting to complete his estate. And every time
5 I have to return to this matter, it brings back all the sad
6 memories. So that was one reason I didn't want to talk. But
7 now I'm just waiting.

8 We were pushing him along and pushing him along, and
9 even up until he was arrested by the FBI, we were even trying
10 to get him to sort of sort out bonds and things like that, you
11 know, to try to get something out. We were afraid if we lost
12 contact, we would lose everything completely. But --

13 So that's it, really. We've just been going on for
14 years and years and years with the same excuses that everybody
15 else has been giving. And at a time when I was at my lowest
16 ebb. I lost my son and shortly after my wife, who died of
17 cancer. So the two combined were causing me a lot of distress.
18 And so it was difficult to -- for me personally to talk to him
19 at times. So I managed to -- me son, me other son, started to
20 do some of the contacting, because I just couldn't at times
21 talk, talk to the guy, 'cause I would be wanting to do
22 something that probably we shouldn't be allowed to do.

23 So that's my story, basically. And thank you for
24 letting me speak.

25 THE COURT: Thank you, Mr. Lawler.

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1 Is there any other victim present in the courtroom who
2 wishes to address the Court?

3 All right. At this time I will hear from counsel.

4 Mr. Richman, do you wish to be heard on behalf of
5 Mr. Schlesinger?

6 MR. RICHMAN: Respectfully, your Honor.

7 Your Honor, I have been practicing law 52 years. I've
8 never heard a series of stories such as this. I'm touched.
9 And what can be said? There's no justification, none
10 whatsoever, for actions such as this by my client. And I make
11 no excuses for it. And to the extent that I'm responsible as a
12 lawyer, as a lawyer, who apologizes to each and every one of
13 the victims on my behalf as a lawyer, and on behalf of my
14 client, I'm sorry for you. I am.

15 I'm troubled by all this. I'm troubled by the pain
16 he's caused these people, and believe it or not, prior to
17 becoming an attorney, I have a degree in social work and worked
18 as a social worker. I see people and I see the trouble they
19 have. And what my client has done is just reprehensible.

20 I'm also angry what he's done to the legal community.
21 I'm angry in the sense that he has made every lawyer's word
22 less meaningful. And we have a bad enough reputation as
23 lawyers. And to have this to be brought to the attention of
24 the community and the world at large doesn't help us. But it
25 should be a lesson brought to every young lawyer who becomes an

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1 attorney to see what can happen.

2 Interestingly enough, I've known Stuart Schlesinger
3 for almost 50 years. And it's something -- how do you balance
4 these things? How do you? You've seen the letters we've
5 submitted to you from people who love him and trusted him, and,
6 you know, how do you justify it? The letters and the things
7 he's done, some wonderful things he's done, and yet the horror
8 that he's caused as well. I guess it's true that we're made up
9 of so many different factors in our lives, with just so many
10 different complex aspects. We're like facets of a diamond,
11 some good, some bad, some glittering, some not so glittering.

12 I don't know what caused this. I cannot even excuse
13 his conduct. I know that the psychiatric report indicates some
14 cognitive impairment and his other problems that he's had.
15 Doesn't justify what he did. And I'm thinking of a thing my
16 mother used to tell me that no matter how good the milk you get
17 from the cow and all the good the cow gives you, in one kick,
18 the cow knocks over the pail and all the good milk is spilled.
19 And this is what has happened here.

20 It's easy for people to wish him all the evil in the
21 world, and I can understand how they feel. That's the tough
22 part of being a judge. I'm not trying to tell you what to do.
23 You know better than anybody else. You've got to balance the
24 various equities.

25 I submitted a memorandum to you, extensive memorandum,

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1 as to his background, his family life. The person that was
2 portrayed by these victims is not the same person I know, and I
3 cannot understand it. And I'm standing here before you and
4 almost finding myself repeating it over and over. How did it
5 become this way? How did it get this way? And --

6 AUDIENCE MEMBER: Through greed. Greed. He knows
7 what he was doing. He was taking victim's money.

8 THE COURT: Please. Silence in the gallery.

9 MR. RICHMAN: Respectfully, your Honor, I understand
10 how the people feel. To them there's no punishment big enough.
11 But you're going to have to frame something palatable,
12 something manageable, something in reality. He's 76 years old.
13 And if you want to sentence him to death, you can. And that's
14 essentially what I'm sure many of these people -- and I
15 understand it. And there's not a bad person in this crowd.
16 But I can understand how they might even wish for that. But
17 that would be a wrong wish. It wouldn't be a justifiable wish.
18 It wouldn't be justice. It wouldn't be what the system is all
19 about. It would be the wrong thing.

20 He's done a lot of good in his life; an awful lot of
21 good. And you've seen the letters from the people indicating
22 the extent of the decent, wonderful things he did, helping
23 people and doing good things.

24 Why he got this way, whether he was trying to save a
25 failing practice by using other people's money, it is certainly

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1 not justified, if that was done. It was just -- it was wrong.
2 No justification about that.

3 This is a man who's got -- his wife has problems, he's
4 got problems. But everybody has problems. Everybody has pain.
5 Everybody has difficulties. Placed in a position of having
6 access to money, he took advantage of that position. I cannot
7 justify it. I will only ask that your Honor, in structuring a
8 sentence herein, structure it with the concept of taking a
9 factor into consideration, his age, and under 3553(a), his
10 medical, health, and psychological conditions, and fashion a
11 sentence that is appropriate under the circumstances.

12 I thank you.

13 THE COURT: Mr. Richman, before you sit down --

14 MR. RICHMAN: Yes, sir.

15 THE COURT: -- since the summer of 2014, when
16 litigation started to be commenced against Mr. Schlesinger and
17 then grievance proceedings started and ultimately a criminal
18 investigation, what has Mr. Schlesinger done to pay restitution
19 to any of his victims?

20 MR. RICHMAN: Your Honor, we have put everything up
21 for sale and the monies will be -- we had tried to make
22 arrangements with the U.S. Attorney's Office to arrange that
23 all the monies, whatever we get from the sale, from the sale of
24 the house, from the sale of his personal properties, they're
25 all in an auction house to be turned over to the victims, every

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1 single penny.

2 THE COURT: How long has the house been for sale?

3 MR. RICHMAN: A year and a half, sir. It's been
4 listed and it's been shown, hundreds of times.

5 THE COURT: But not one single offer, right?

6 MR. RICHMAN: I don't know the economy. One of the
7 good things is, I'm not a real estate lawyer, but apparently no
8 offers.

9 THE COURT: Did Mr. Schlesinger and his wife give
10 three mortgages on their Dune Road property in August of 2014?

11 MR. RICHMAN: I do not have knowledge of that, sir.

12 THE COURT: Well, a lawyer by the name of Kriss
13 submitted a letter to the Court. You wrote in response to that
14 letter and took exception to certain statements that Mr. Kriss
15 made. But I'd like to know from your client whether in fact he
16 and his wife received approximately \$2.3 million in August of
17 2014 from Sheldon Solow and Steven Cherniak (ph).

18 Would you consult with him.

19 MR. RICHMAN: I will.

20 (Mr. Richman consulting with the defendant)

21 MR. RICHMAN: Your Honor, apparently Mr. Solow was --
22 my client was indebted to Mr. Solow and he gave a mortgage to
23 Mr. Solow to protect the debt that he owed Mr. Solow. There
24 was no money received during 2014.

25 THE COURT: You know, the probation department pressed

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1 your client twice to provide financial information, and last
2 week, when I got the presentence report and saw that probation
3 was reporting that he had not given a financial statement, I
4 directed that a statement be submitted, and a statement
5 ultimately was submitted lacking in documentation. But nowhere
6 in that statement does Mr. Schlesinger reveal that he gave
7 mortgages to Sheldon Solow, two mortgages to Sheldon Solow, for
8 a total of 2.2 million, and another mortgage for 75,000 to
9 someone named Steven Cherniak, whoever that is. And by the
10 way, I'd like to know who that is. And while you're conferring
11 with him, I'd like to know why he failed to disclose on a
12 financial statement, under oath, mortgages totaling
13 2.3 million, from which one could conclude that he received
14 2.3 million in about August of 2014.

15 (Mr. Richman conferring with the defendant)

16 MR. RICHMAN: I'm informed, your Honor, most
17 respectfully, that the 75 was to Steven Cherniak, who is
18 another person he owed money to, who put a mortgage on, and my
19 client claims that he did not -- sorry -- put a lien on as
20 opposed to a mortgage at that particular point.

21 THE COURT: Well, that's not what Mr. Kriss writes.
22 But your client and his wife gave mortgages to Sheldon Solow,
23 right?

24 MR. RICHMAN: Correct, your Honor.

25 THE COURT: So whatever equity was in the house they

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1 stripped out of the house in August of 2014 when they knew the
2 world was coming down around them, right?

3 MR. RICHMAN: I think my client can address that
4 situation himself, your Honor.

5 THE COURT: He'd better.

6 MR. RICHMAN: Do you want to address that?

7 THE COURT: No.

8 MR. RICHMAN: Yes, your Honor. I'm sorry. I will
9 proceed.

10 THE COURT: I want to know why he didn't disclose
11 these mortgages. That in itself is a federal crime, for which
12 maybe the U.S. Attorney's Office should prosecute him.

13 (Defendant conferring with Mr. Richman)

14 MR. RICHMAN: I'm informed, your Honor, that this is a
15 mortgage that was given prior to August '14. It was recorded
16 August '14. This was in lieu of an existing, outstanding
17 obligation. That's the best of my knowledge. At that
18 particular point.

19 THE COURT: That excuses him from disclosing it on his
20 declaration of net worth?

21 MR. RICHMAN: It does not, your Honor. Obviously not.

22 THE COURT: So back to my question: Why did he
23 conceal it?

24 (Mr. Richman conferring with the defendant)

25 MR. RICHMAN: He insists that he did not knowingly or

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1 wilfully attempt to conceal it.

2 THE COURT: You know, my problem is that two mortgages
3 totaling 2.2 million, held by Sheldon Solow, given by
4 Mr. Schlesinger and his wife, lead me, without further
5 information, to believe that Mr. Schlesinger has \$2.2 million
6 sitting somewhere.

7 AUDIENCE MEMBER: That's right.

8 MR. RICHMAN: Your Honor --

9 THE COURT: Well, it's a fair conclusion for the
10 Court, especially when he withholds financial statements and
11 then doesn't disclose it, when we finally pry one from him.

12 MR. RICHMAN: It's a reasonable inference, your Honor.
13 I agree. I'm not suggesting otherwise.

14 THE COURT: So I'm concerned about flight.

15 MR. RICHMAN: Your Honor, for the moment, sir, my
16 client has his entire life here. There's never been the
17 possibility and even a suggestion of flight. Never in this
18 entire proceedings. And I recognize that -- we've discussed
19 this matter. My client recognizes that he's going to jail. We
20 recognize the extent to which he's going to jail. At 76,
21 whatever the sentence could be, could be the end of his life,
22 and he knows that. And he showed up for sentence, and he made
23 no effort to avoid sentence. And, you know, with all due
24 respect --

25 THE COURT: He doesn't know what he's going to get at

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1 the moment, and every person lives in hope, and maybe he's got
2 \$2.2 million sitting someplace.

3 MR. RICHMAN: Your Honor, there is no possibility.
4 Frankly speaking, sir, I don't believe that's a reality at all.
5 And I understand why you may believe that. We have tried to
6 address Mr. Kriss's letter on that issue.

7 THE COURT: No. You didn't address it on that issue.

8 MR. RICHMAN: Well, I've spoken to the --

9 THE COURT: The mortgages are there as clear as could
10 be. A third mortgage to Steven Cherniak for 75,000, dated
11 August 8, 2014, and recorded March 13, 2015; a fourth open
12 mortgage with Sheldon Solow in the amount of 400,000, dated
13 August 8, 2014, and recorded April 3, 2015; and a fifth open
14 mortgage with Sheldon Solow in the amount of \$1,866,285, dated
15 August 1, 2014, and recorded April 3, 2015. Who records all
16 these kinds of mortgages in April, but they were all given in
17 August by Mr. and Mrs. Schlesinger.

18 MR. RICHMAN: Your Honor, may I respectfully point
19 out, when we received that letter -- and we just received that
20 letter this past week -- we called the U.S. Attorney's Office,
21 we wanted to address that issue quite strongly, and the U.S.
22 Attorney and I came to the conclusion that the information
23 therein was not entirely accurate. We did not have the chance
24 to investigate further.

25 THE COURT: These were recorded in liber books in the

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1 Suffolk County Clerk's Office.

2 (Mr. Richman conferring with the defendant)

3 MR. RICHMAN: Your Honor, it's my understanding -- and
4 to the extent if we have to go further and do a little
5 investigation of this, we received -- I understand the U.S.
6 Attorney's Office received this letter or a similar letter
7 sometime earlier this summer. We received a copy of this
8 letter just -- we received this letter this past week on this
9 particular information. I never received information back then
10 to go and investigate that particular aspect of the claim.
11 When I called the U.S. Attorney's Office on this particular
12 issue, I said to Mr. Laroche, Is this an issue? Is there a
13 problem we have to deal with on this issue? And I said, If
14 necessary, and he said to me, Murray, there is not. We don't
15 necessarily accept everything Mr. Kriss is saying. And that's
16 the extent to which we had gone through this issue.

17 I am caught at a disadvantage on this particular issue
18 at this particular juncture, sir, and I wouldn't be here
19 addressing the issue like this if I were not.

20 THE COURT: All right. Mr. Laroche, do you want to
21 weigh in on this?

22 MR. LAROCHE: Yes, your Honor.

23 I disagree with Mr. Richman in regards to our
24 conversation about the specific letter. I think our
25 conversation was more to the effect of whether Mr. Kriss would

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1 be speaking about the specific issues raised in this letter. I
2 think the government's preference is that it would be limited
3 to victims, the reason being because the issues that surround
4 forfeiture and restitution are ongoing, in the government's
5 view, in terms of how the government is going to seek to
6 satisfy forfeiture and restitution and --

7 THE COURT: Right. But the government expressed in
8 its letter a concern about whether there was much, if any,
9 equity in the Dune Road home. So I presume the government's
10 done a title search and that this information is accurate.

11 MR. LAROCHE: That's correct, your Honor. The
12 information is accurate, which is why we said in our sentencing
13 submission we have serious concerns that there is any value at
14 all in the home. So that's an issue that the government --

15 THE COURT: All right.

16 MR. LAROCHE: I don't know if the Court would like to
17 hear from the government at this point.

18 THE COURT: I do want to.

19 Mr. Richman, are you finished?

20 MR. RICHMAN: I hate to finish on that note, your
21 Honor, most respectfully. As an attorney and as an advocate,
22 I'm placed at a terrible disadvantage under the circumstances.

23 Your Honor --

24 THE COURT: I got the letter the same time you did.

25 Okay?

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1 MR. RICHMAN: Well, apparently --

2 THE COURT: And it piqued my curiosity. Especially
3 the timing. It's so exquisite.

4 (Defendant conferring with Mr. Richman)

5 THE COURT: Mr. Schlesinger will get a chance to
6 address the Court after the government has spoken.

7 MR. RICHMAN: Your Honor, if it is a concern from the
8 point of view of Mr. Schlesinger's failure to -- or thinking of
9 leaving the jurisdiction, I don't believe that's a reality,
10 based upon the fact that he surrendered his documents and his
11 passport, he's been here at each and every one of the
12 proceedings. He's not young. He's not well. He's going
13 nowhere. And that could be reasonably concluded. I recognize
14 the extent of his punishment, and believe me, I've made it
15 quite clear to him, long ago, hope or no hope, that he was
16 going to jail on this case for a substantial period of time. I
17 made that clear to him virtually the first day we got involved
18 in this case. And when we decided to take a plea early on in
19 this matter, there was clarity, sheer clarity, that we knew
20 that jail was a reality. Had there been a desire to abscond,
21 to leave the jurisdiction, it would have been taken advantage
22 of under the circumstances before we got to this juncture. I
23 think reasonably, you must conclude that also. It's not
24 absolute, but I can assure you that, you know, in all the time
25 I've practiced, I've yet to lose a client, ever, and I've had

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1 some interesting clients. I don't believe it's going to occur
2 here, for whatever value you give to my word on this issue.

3 THE COURT: The bond is essentially worthless, right?

4 MR. RICHMAN: I don't believe so.

5 THE COURT: Okay.

6 MR. RICHMAN: I don't believe so.

7 THE COURT: The government thinks so.

8 MR. RICHMAN: Your Honor, it appears the persons who
9 have signed it are in addition to the bond. It's not just the
10 property itself. It's the people who have signed it. And the
11 value of a bond is the word more than anything else. The
12 property securing it is almost secondary, second nature.

13 I submit to you that I understand the desire to punish
14 the man under the circumstances, but is he any different than
15 any other person you may have sentenced to more serious crimes
16 and permitted him to continue? You know, there's a desire to
17 placate, but it's not a proper thing to do under the
18 circumstances. I can't advocate to you what you have to do,
19 but there's a balance that you have to strike, and it's not an
20 easy balance to make. And I urge your Honor -- I know the
21 persons here would cheer if your Honor would take certain
22 action, and your Honor will be sentencing him severely to that
23 kind of action, but let's not throw the baby out with the bath
24 water. We have a balancing act here, and a difficult one to
25 make.

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1 Thank you, sir.

2 THE COURT: All right. Thank you, Mr. Richman.

3 Mr. Laroche, does the government want to be heard?

4 MR. LAROCHE: Yes, your Honor.

5 THE COURT: Why don't you take the podium.

6 MR. LAROCHE: Yes, your Honor.

7 Your Honor, over the course of eight years, the
8 defendant stole millions of dollars from two dozen victims, at
9 least. Those he victimized were already suffering, as we
10 heard, from life-altering injuries. Some were suffering from
11 the death of loved ones. The defendant didn't care. He stole
12 their money and lied to them. He left them revictimized and
13 broken. And he did all this not because he himself was in
14 financial destitution. The defendant, rather, committed his
15 crimes from the comfort of his million-dollar home in Quogue
16 and from his law office in Manhattan.

17 By any measure, the defendant's crimes were
18 despicable, but the fact that he committed his crimes using his
19 law degree makes them especially disgraceful.

20 As the Court is aware, the government is seeking a
21 guidelines sentence in this case. That's a sentence within 78
22 to 87 months' imprisonment. We believe that all of the factors
23 the Court should consider in determining an appropriate
24 sentence counsel in favor of a guidelines sentence, and the
25 government talks about each of those factors in depth in their

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1 sentencing submission. They include the nature of the offense,
2 the history and characteristics of the defendant, the need for
3 deterrence, the need for restitution, the nature of the
4 offense.

5 To begin with, I'm not going to be able to describe
6 the offense any better than the victims have here today. I
7 would just note that this offense was extremely serious, long
8 running, and devastating to the victims, and each of them I
9 think have given very powerful statements about how it has
10 impacted them.

11 As to the history and characteristics of the
12 defendant, I would take issue -- and I understand Mr. Richman
13 is doing the best he can with what he has. That said, I take
14 issue with the idea that this was a one-time lapse of judgment
15 or mistake that erased a lot of years of good work. This was
16 eight years of blatantly lying to victims, repeatedly. It
17 showed a lack of respect for the law, for basic ethical norms,
18 and for the property of others. And the defendant was doing
19 this not because he needed to. He could make legitimate work.
20 He'd been a lawyer since I think 1965, with a very successful
21 practice. He simply did not need to lie and steal from the
22 victims the way he did. And the only reason that he stopped
23 this was because he got caught. It was because the victims
24 complained and people began investigating. So the history and
25 characteristics of the defendant, in the government's view,

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1 support a guidelines sentence.

2 We also believe a guidelines sentence affords adequate
3 deterrence here. This is a highly publicized case, for obvious
4 reasons, both just generally in the public and in the legal
5 profession. I think a guidelines sentence, a substantial
6 sentence, would send a strong message to the legal profession
7 about what the consequences are for this type of abhorrent
8 behavior, about what can happen to you if you decide to steal
9 money from your clients for a period of years. The defendant's
10 conduct has broken the trust of each of the victims here as to
11 the legal profession, and we think that serves as a significant
12 basis for a guidelines sentence.

13 On the need for restitution, your Honor, I think what
14 I will say is the government is doing, and will continue to do,
15 everything we can to find assets that can be forfeited, to
16 whatever extent possible, to provide restitution to the
17 victims. The government has serious concerns for many of the
18 reasons that the Court has identified earlier, when Mr. Richman
19 was speaking, about, among other things, how forthcoming the
20 defendant has been with respect to his finances, whether that
21 particular property is going to have any value whatsoever. We
22 understand that there are a number of significant mortgages
23 standing against that property, and the government's concerned
24 that he will have the funds to do so. That said, there are
25 clearly assets. He's reported some assets here, whether it be

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1 art or antiques. It's something. But it's extremely
2 disappointing to see the way the financial disclosures were
3 made in this case in the PSR, and the government has great
4 concerns about it, and the government is not ending its
5 investigation, in terms of how it's going to look at forfeiture
6 when this forfeiture order is entered today. The government is
7 going to keep investigating those specific issues so that we
8 can seek as much compensation for the victims as possible
9 within our power.

10 I'd also note that it's also troubling that the law
11 firm itself had a number of cases -- and I think Mr. Kriss
12 references this in his letter -- that were apparently
13 transferred to another law firm. It's very difficult -- and
14 again, this gets back to what the government is still
15 considering, but it's very difficult to place a value on those
16 cases and identify them as assets that can be forfeited. But
17 again, it's another aspect of the forfeiture that the
18 government is continuing to investigate and I think is
19 important to consider.

20 Mr. Richman -- and I understand he's making the best
21 argument he can for his client. He submitted a number of
22 letters from friends and family, which no doubt are heartfelt
23 and sincere. But those letters are not a reason for leniency.
24 In fact, I think those letters should give the Court even more
25 pause. I think the reason they should is because those letters

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1 show that the defendant had the support of numerous people,
2 including his close family and friends. He had no reason to do
3 this. And the only reason that the government can come up with
4 for why he did this was greed. He could have at any point
5 along the way sold his assets, gotten rid of them, paid the
6 people that needed to be paid. Instead he left them broken and
7 revictimized.

8 And the government believes that for all those
9 reasons, he deserves a significant sentence in this case, and a
10 sentence within the guidelines range is appropriate.

11 THE COURT: All right. Thank you, Mr. Laroche.

12 Mr. Richman, does your client want to address the
13 Court before sentence is imposed?

14 MR. RICHMAN: May I just speak with my client for one
15 moment, sir?

16 THE COURT: Certainly.

17 (Mr. Richman conferring with the defendant)

18 MR. RICHMAN: Respectfully, my client wishes to
19 address the Court.

20 THE COURT: Very well. I will hear from
21 Mr. Schlesinger now. He can take the podium.

22 THE DEFENDANT: Before I talk about the clients, I'd
23 respectfully like to address your Honor's question about the
24 mortgage.

25 Mr. Solow loaned me money over many years -- I don't

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1 recall how many years -- in different increments. And I even
2 executed whatever his counsel asked me to execute to protect
3 the loans. The mortgage that was executed that -- or two
4 mortgages that you referred to that was recorded, were being
5 held way before they were recorded. I had no idea they were
6 recording it. As a matter of fact, the letter that your Honor
7 refers to by Mr. Kriss, we never saw. He wrote a letter to
8 your Honor and to counsel, to the U.S. Attorney, in July. We
9 never saw it. We were never given it. Had I seen it, it would
10 have certainly been a bell ringing that there was mortgages. I
11 searched everything. The government took every single box from
12 our office --

13 THE COURT: Do you realize what you're telling me?
14 That, in essence, it was more important to you to secure a loan
15 that a billionaire friend had given you over the course of
16 years than it was to pay back any of the clients who are your
17 victims? Do you understand that's what you're telling me?

18 THE DEFENDANT: That's not what I'm saying,
19 respectfully.

20 THE COURT: Okay. Well, that's what I'm reading from
21 that, Mr. Schlesinger.

22 THE DEFENDANT: The money I received from him goes
23 back over maybe ten years.

24 THE COURT: Like I said, you thought it more important
25 to see that a friend who loaned you money over the years was

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1 secured than that the government or any victim could recover
2 money you stole from them.

3 THE DEFENDANT: That mortgage was given way before any
4 of this took place, your Honor. That mortgage was given --

5 THE COURT: It's dated August 8, 2014. You and your
6 wife signed it on August 8 of 2014.

7 THE DEFENDANT: I have to --

8 THE COURT: I think you should move on to something
9 else because you're not persuading me.

10 AUDIENCE MEMBER: Thank you very much.

11 THE DEFENDANT: I -- I came here also today to address
12 the victims. And after hearing -- to tell them how I feel and
13 the regrets. I'm going to do that, and then I was going to
14 address the Court, but I'd rather address the Court first on
15 other issues.

16 THE COURT: Fine.

17 THE DEFENDANT: I know what I did, I know the extent
18 of what I did, and I know how terrible it is. I listened to
19 Mr. Richman, and he couldn't -- he said it the way it was. I
20 didn't do it -- I -- whatever thought process was going through
21 my mind, it was -- at the time it was all being done, I was
22 doing it to save and try to save what I had in terms of the
23 firm and everything else. There was no reason to do it. It
24 shouldn't have been done.

25 I -- through your Honor, I tell the judiciary, who

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1 I've been before many courts over the last 50 years, how
2 profoundly sorry I am. I certainly know that I'm atypical to
3 the legal profession. This is not something lawyers do, and
4 I've insulted the legal profession, but it's atypical. This is
5 not typical of the legal profession.

6 I don't have -- just to -- I didn't do anything
7 intentionally in that statement that your Honor referred to.
8 In fact, just to put a period to it, if I may, there were boxes
9 and boxes of documents taken from my office that I had to go
10 through for weeks and weeks and weeks in order to put that
11 statement together, and it was painstaking. Little pieces of
12 paper. So I finally got together a cohesive statement. I'm
13 sure -- I'm sure that when the house is sold, Sheldon Solow is
14 not going to press his mortgage. I'm sure when the house is
15 sold, that Sheldon Solow is not going to press his mortgage.
16 And the equity in that house from my equity is there for
17 restitution. That house will be sold. It's a good equity.
18 It's a good solid piece of property. And it will be sold.
19 Yes, it's been on the market for a considerable period of time,
20 but every effort is being made to sell it, every
21 advertisement -- and it will be. There have been some
22 not-in-writing offers that were low end. We expect to get
23 better, and we expect it to be sold. And the only mortgages
24 that are outstanding are -- the ones that will be pressed are
25 the ones that I put in the statement, the 5 million mortgage to

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1 HSBC. I can't -- of course I can't quarrel or take issue with
2 what your Honor says about that it wasn't in the statement, but
3 I'm at loss, and I would have, but that money, again -- I'll
4 leave the issue alone.

5 THE COURT: Fine.

6 THE DEFENDANT: I've lost everything that I've earned
7 in 50 years. I lost my license, I lost my respect, I have
8 terrible issues with family, and I've been punished beyond,
9 beyond -- what I deserve, but beyond what I could even handle
10 anymore.

11 To the people, I know I'm here today to be punished
12 for the horror that I committed. I'm not going to ask for
13 forgiveness. I heard what they said. I can't ask for
14 forgiveness. I took a positive with each and every one of them
15 and turned it into a horrible negative. It started off as a
16 positive and turned it into a horrible negative. So there's no
17 way that I could ask their forgiveness. They didn't deserve
18 what I did. Trying to say to them, to each and every one of
19 them, that I'm sorry, but I know the words won't be heard or
20 won't be accepted, but that's how I really feel. I do feel the
21 remorse. I do know I have the guilt. I feel the guilt. I am
22 terribly ashamed for what I did to each and every one of them.
23 There's no question about that.

24 Mrs. Last, I know the fears and the anger that I
25 caused her. I lived through it. I know it. I know each

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1 minute that she suffers. So to say I'm sorry and I'm ashamed
2 is not going to impact on them, but I am.

3 To Billy, to Mr. Landis --

4 MR. LANDIS: You've got to be kidding me. You've got
5 to be kidding me. Don't you dare. You're making a mockery of
6 this court system with your lies.

7 THE COURT: Mr. Landis, please.

8 MR. LANDIS: I can't take it anymore.

9 THE COURT: Be seated.

10 MR. LANDIS: How dare he.

11 THE DEFENDANT: I know that my terrible misdeeds, my
12 conduct to him, put him in a terrible place.

13 Mr. Lawler, I know what he went through. I know
14 everything. I know all of this. I've heard.

15 MR. LANDIS: Then why did you do it? Why did you do
16 it?

17 AUDIENCE MEMBER: Through greed.

18 THE DEFENDANT: I came here to say I'm sorry. I came
19 here to put all the shame and all the guilt to these people for
20 what I did to them. I can't turn back the clock with them.
21 But I do know, your Honor, that every effort on restitution to
22 either the lawyers fund, if they make restitution to them, from
23 my assets, will be done. The cases that counsel -- may I, your
24 Honor. I'm sorry. The cases -- the cases that counsel, we --
25 we submitted a list of cases to counsel, to U.S. Attorney's

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1 Office. There is tremendous equity in those cases.

2 Mr. Richman represented to your Honor in a presentation -- and
3 parenthetically, or -- Mr. Kriss refers to fees and makes --
4 every single fee that I will get or Julien & Schlesinger will
5 get must -- must be approved by the court and the manner of
6 payment, and we submitted the two that have been resolved
7 already to your Honor. The two orders -- two Supreme Court
8 judges did that, contrary to what Mr. Kriss says. We, in
9 one -- in fact, in one of them, the court said, pay this money
10 to the lawyers fund. The lawyers fund wrote back and said, we
11 got it, and we're going to use it and apply it when we make
12 restitution to the clients, to the victims. There are 50 some
13 odd -- 40, 50 some odd cases like that. Every fee that will be
14 realized from those cases we represented, we would ask the
15 Supreme Court judge who fixes the fee, which they have to do by
16 the rules and the law, because I'm a disbarred lawyer, will fix
17 the fee and put the manner of payment down for the lawyers
18 fund, in the hope that in the interim, the lawyers fund will
19 make restitution, will pay the clients, the victims.

20 What your Honor said about the -- I don't have any
21 money, your Honor. I don't -- what you claim that that
22 money -- it doesn't exist. It was money from years and years
23 and years. I understand your position, what you say about the
24 mortgage. And quite frankly, it would have been -- it's -- I
25 know what Mr. Solow is going to do, and I didn't know that it

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1 was recorded, but I know what he's going to do. He's not going
2 to press that. Whatever we realize in profit, whatever we
3 realize from the equity will be paid, to the lawyers fund, or
4 to whoever the U.S. Attorney wants it to be paid.

5 I struggle -- I came here thinking that I would face
6 the people and do my apology and knowing that it's not the kind
7 of thing that they want to hear, but I don't know how to
8 express the sincerity that's in me about what I did. I know
9 what I did that was terrible, I know what I did was a crime, I
10 know that I shouldn't have done it, I know -- I was struggling
11 to try to balance things in the firm. I should have taken
12 different actions. It's -- I sit here now saying, why didn't I
13 do it? I've sought all kinds of help to try to figure it out.

14 What Murray -- sorry. When Murray said to me in
15 the -- when Mr. Richman said to me, you're going to die in
16 jail --

17 I want to make restitution. I want to be -- I want to
18 do everything that I can. These are good things, good assets,
19 good things that can be done. I don't want to die in jail.

20 AUDIENCE MEMBER: You will.

21 THE DEFENDANT: I'm sorry, your Honor. Let me sit
22 down.

23 THE COURT: You may be seated.

24 THE DEFENDANT: Can I just --

25 THE COURT: Yes, sure.

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1 MR. RICHMAN: Sit down.

2 THE COURT: The defendant, Stuart Schlesinger, comes
3 before this Court having pled guilty to wire fraud, a serious
4 crime against the United States.

5 This Court has reviewed the presentence report and
6 adopts the findings of fact in that report as its own. I'll
7 cause that report to be docketed and filed under seal as part
8 of the record in this case.

9 I've also reviewed all of the submissions of the
10 parties and numerous victim statements and listened to
11 statements by victims here today and the arguments of counsel,
12 and the defendant's remarks to the Court.

13 Turning first to the guidelines calculation, which, as
14 the Supreme Court stated in *Gall v. United States*, should be
15 the starting point and the initial benchmark to determine a
16 sentence. This crime sounds in fraud, and so the base offense
17 level is 7. Because the offense here resulted in a loss of at
18 least \$5.5 million, an increase of 18 levels is warranted.
19 Because there are more than 10 victims, an additional two-level
20 enhancement is appropriate. Further, because Mr. Schlesinger
21 certainly knew that his victims were fragile and therefore
22 susceptible to his misconduct, a two-level increase is
23 warranted under Section 3A1.1(b)(1). Moreover, because he
24 abused a position of trust and used his status as a lawyer to
25 facilitate and conceal his conduct, an additional two-level

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1 enhancement is entirely appropriate.

2 Now Mr. Schlesinger pled guilty before this Court, and
3 accordingly, under the guidelines, he's entitled to a
4 three-level reduction for acceptance of responsibility.

5 And so his total offense level is 28.

6 He has no prior criminal convictions, so his criminal
7 history category is I.

8 And that yields a guideline range of 78 to 87 months
9 of imprisonment.

10 Now turning to the 3553(a) factors, Mr. Schlesinger is
11 76 years old and in relatively good health. As a consequence
12 of the criminal activity that he engaged in, he's been
13 disbarred. For nearly a half century, Mr. Schlesinger was a
14 prominent lawyer at the apex of the personal injury bar in New
15 York. Undoubtedly, over the course of his illustrious career,
16 he helped many people who became his clients.

17 His friends and colleagues also speak in their letters
18 of his generosity and kindness, and there's no doubt that he
19 did good works and helped people in all walks of life.

20 But this case reveals that under the veneer of an
21 accomplished and highly respected attorney, Mr. Schlesinger was
22 really a predator. His conduct was long running and
23 devastating to the individuals he victimized. There were years
24 and years of deceit and deception to carry out his scheme. He
25 had to lie every day to clients on the telephone, in emails,

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1 and by faxes. His conduct was reprehensible.

2 Now he earned millions and millions of dollars as a
3 contingency lawyer and also amassed a fortune in real estate,
4 but apparently it wasn't enough. Ten years ago, he sold an
5 elegant brownstone on East 64th Street, just a few feet from
6 Central Park, for more than \$21 million.

7 AUDIENCE MEMBER: Wow.

8 THE COURT: And back in 1981, he purchased the Dune
9 Road property in Quogue that's now appraised for more than
10 11 million.

11 His conduct in this case demonstrates a lack of
12 respect for the law, a profession that gave him and his family
13 so much over half a century. And as the government points out,
14 his crime was not a momentary lapse. It was a calculated
15 scheme over a period of at least eight years, that he could
16 have stopped at any time if he chose to.

17 The need for general deterrence here is obvious. The
18 enormity of Mr. Schlesinger's criminal conduct has
19 understandably captured the attention of the public and the
20 legal profession. All lawyers need to understand the special
21 position they hold in our society and the privileges that a
22 license to practice law confers. And those ill-intentioned
23 attorneys who might be tempted to steal from their clients need
24 to be deterred.

25 Specific deterrence is also important here because of

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1 the brazenness and audacity of Mr. Schlesinger's scheme. He
2 converted his law license to a license to steal. It's really
3 hard to pinpoint exactly when Mr. Schlesinger started stealing
4 from his clients, but once he started, he didn't stop. And the
5 sad thing is that he could have stopped at any moment.

6 He abused his fiduciary position as an attorney to
7 help himself to the monies that belonged to his clients, who
8 thought they were receiving compensation for the serious
9 injuries, or deaths, that they and their families had suffered.
10 And even after a client sued him and the handwriting was on the
11 wall, he didn't try to make things right. Indeed, as I've
12 discussed in colloquy today with the parties, it appears to
13 this Court that, with disciplinary proceedings and lawsuits
14 under way against him, he instead orchestrated a scheme to suck
15 every penny of equity out of his beachfront estate on Dune
16 Road. He gave two mortgages to his billionaire friend, and
17 now, for the last year and a half, with his wife as the listing
18 real estate agent for the property, they've offered it for
19 sale -- of course at a price so high, no purchaser ever even
20 made a serious offer. How convenient for Mr. Schlesinger. He
21 just spent another summer in the Hamptons. Mrs. Schlesinger,
22 by the way, is the listing agent on the property and may be
23 eligible to receive a real estate commission from any sale. I
24 take the government at its word that it's concerned whether the
25 property will yield any relief for the victims.

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1 And after Mr. Schlesinger pled guilty, he's apparently
2 been busy selling personal property, including artworks.
3 Indeed, between May 24 and July 15, after selling several
4 artworks, he deposited more than \$65,000 into his wife's
5 account. And probation reports that "the bank statements
6 reflect other significant deposits for which the sources of the
7 deposits are unknown." So it really seems, Mr. Schlesinger,
8 that the fraudulent conduct continues. I'm troubled by a
9 pattern of trying to obfuscate the true state of your financial
10 affairs.

11 As for restitution, the possibility that your victims
12 will ever be made whole is remote. It will be up to other
13 lawyers, the client security fund, and the U.S. Attorney's
14 Office, to pursue your assets, including mortgage proceeds, if
15 there is 2.2 million out there, antiques, artwork, attorney's
16 fees that your former firm may still be entitled to on pending
17 matters, and who knows what else.

18 It's a very sad day for everyone in the courtroom.
19 Mr. Schlesinger had a distinguished career, but he ends it in
20 complete disgrace, disbarment, and prison.

21 The scheme went on far too long, and it's well beyond
22 the time when Mr. Schlesinger should be called to account. His
23 conduct was outrageous and showed a complete lack of respect
24 for the law, ethical norms, and his vulnerable clients.

25 And so it's against that backdrop that I'm prepared to

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1 impose sentence at this time, and I'd ask, Mr. Schlesinger,
2 that you stand.

3 Mr. Schlesinger, in my remarks I have tried to convey
4 my profound disappointment in someone of your stature who has
5 fallen so far. You're really just a thief. And you can't be
6 honest. You can't make an honest disclosure.

7 It is my judgment that you be sentenced to a term of
8 78 months of imprisonment, to be followed by three years of
9 supervised release, subject to all the standard conditions of
10 supervised release and the following special conditions:

11 First, that you provide your probation officer with
12 access to any requested financial information;

13 That you not incur any new credit card charges or open
14 additional lines of credit without the approval of your
15 probation officer, unless you're in compliance with your
16 installment payment schedule that I'm going to fix for
17 restitution.

18 I'm not going to impose any fine on you because that
19 would be an exercise in futility.

20 But I am going to sign the order of forfeiture and
21 impose an order of restitution on you in the amount of
22 \$5,549,017, to be payable in monthly installments of 35 percent
23 of your gross monthly income over the period of your
24 supervision.

25 I'm going to direct further as a special condition

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1 that any and all proceeds earned by the firm of Julien &
2 Schlesinger or the cases that you transferred to your son, that
3 all of those monies be paid to the clerk of court in
4 restitution, any fees that your firm earned.

5 I'm also, of course, imposing the mandatory \$100
6 special assessment.

7 This constitutes the sentence of this Court. I advise
8 you that to the extent you've not previously waived your right
9 to appeal, you have the right to appeal. I advise you further
10 that if you cannot afford counsel, counsel will be provided to
11 you free of cost.

12 Mr. Richman has done the very best that he can in
13 representing you. I thought that his remarks today were
14 entirely forthright -- something that you're incapable of
15 being.

16 Now you may be seated.

17 Are there any further applications?

18 MR. LAROCHE: Not from the government, your Honor.

19 MR. RICHMAN: If the Court please, I ask for the
20 defendant to be considered for direct surrender. I have
21 discussed it with the government, your Honor.

22 THE COURT: What is the government's view?

23 MR. LAROCHE: That's correct, your Honor.

24 THE COURT: All right. I think that Mr. Schlesinger
25 needs to begin serving his term of imprisonment, and so I'll

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1 give him the benefit of spending Rosh Hashanah and Yom Kippur
2 with his family, but I'm going to direct that he surrender to
3 the United States Marshal for the Southern District of New York
4 on Thursday, October 13, at 2 p.m., to begin serving his
5 sentence.

6 MR. RICHMAN: Your Honor, most respectfully, I
7 understand the concerns you have. The issue is about whether
8 he'll be designated by the Bureau of Prisons.

9 THE COURT: I don't know whether he will be, but I
10 don't know where that 2.2 million is either, all right? So
11 it's time. He'll surrender here, to the Marshals.

12 Anything further?

13 MR. RICHMAN: Your Honor, one further request, that
14 I'd ask your Honor to consider the designation -- I understand
15 it's not binding on the Bureau of Prisons -- but that you
16 consider the possibility of, just for the family's sake, that
17 he be sent to Otisville Correctional Facility.

18 THE COURT: I'll make that recommendation on the face
19 of the judgment.

20 MR. RICHMAN: Thank you.

21 THE COURT: All right. Anything further?

22 MR. LAROCHE: No, your Honor. Thank you.

23 THE COURT: Anything further, Mr. Richman?

24 MR. RICHMAN: Nothing, sir.

25 THE COURT: This matter is concluded. (Adjourned)